



**Complete Transcript: [HALO Talks with Todd Wadler](#)  
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Pete Moore:

This is Pete Moore on HALO TALKS NYC on location Manhattan beach, California. I have a fellow prior investment banker and now CEO of one of the largest fitness boutique operators, Todd Wadler, welcome to the HALO Talks.

Todd Wadler:

Thanks Pete. Thanks for having me on.

Pete Moore:

Good to see you. So you want to give your, uh, your quick personal background, just so other entrepreneurs know where they could get to, if they're currently working on an Excel model in a investment bank, you can potentially get to this a fun hobby that we've turned into a business.

Todd Wadler:

Yeah, so, yeah, exactly. So I started out at DLJ and investment banking and I think was an investment banker for almost 24 years. And every stop that I made along the way was a very entrepreneurial kind of endeavor. I'd say DLJ was as entrepreneurial as it got it built businesses inside of itself, and really kind of gave you an opportunity to see high growth in action and watch people manage high growth. And from there, I was at UBS, which again is a big name, but the investment bank wasn't as developed as, as it ultimately became. And in 2007, I was part of, one of the founders of a firm called bolus and company, which is obviously now a much bigger firm with offices all around the world by an investment banking. I spent a lot of time in high-growth then sectors. So in consumer health wellness, I spent a lot of time advising companies, uh, specialty areas that had a lot of entrepreneurs.

Todd Wadler:

I was always sort of drawn to that quite frankly. And when I was able to, in 2016, I developed an idea which is box union, which is an operator of fitness boxing studios in Los Angeles, California. And from there, you know, our goal was always to really grow the business. So we looked at, you know, coming from my background in investment banking, we always looked at different ideas of how could we grow it, you know, both physically digitally, um, through acquisitions, et cetera. And so, you know, really the skill set that I was developing and owning and honing in on through my investment banking career really allowed me, I think, ultimately to be able to then really thrive in becoming an entrepreneur and getting, um, and an operator of a business quite frankly, where you really need to be able to understand a lot of

different things throughout the day. It's not just the product. It could be the healthcare benefits for the company. You have to be able to understand and pick apart an income statement. And I really think that actually leads you to make better decisions when you can kind of think holistically about it.

Pete Moore:

Yeah. I mean, I, I got brought up in the, in the DLJ, uh, area as well from 95 96. And I always felt like when I actually started running a business, that I actually felt what it meant to, to like change assumptions in the Excel model and actually have to physically do it. And I was like, Holy. Like, I can't just plug in like 30%, you know, top line growth. And like, it'll just show up. Like I gotta hire people. I gotta ramp them up. I got to buy them a laptop. I gotta train them. I mean, so from, from your standpoint, did you like fully appreciate like what I was doing in investor bank? Like when these guys were putting up numbers or these women were putting up these types of numbers, like how much it actually took to actually do it?

Todd Wadler:

No. I mean, it's a whole new appreciation for how business works, right? It was like, we might be at a couple in an Excel sheet, you got a couple of line items for revenue, like three or four expense line items. And you realize like payrolls 12 different lineup. Oh, bonuses, wait without pay bonuses. Right. And how you think about it. And, but I do think like that Excel training, you know, and I looked at the people in my company and you know, you have to have a mix of both. You gotta have your creatives and your people driven by something else that maybe aren't totally constrained by the numbers. But then at the end of the day, it's based in numbers. And whether you're looking for investment, you know, whether you just need a profitable business, whatever it is you need, but you definitely learn how many inputs go into each line item up of an Excel.

Pete Moore:

Yeah. So, so I got to add, everybody knows that. So I'm not going to shy away from it. I'll just kind of assume it's like a superpower, but you know, doing, doing investment banking, you know, you go and deal with the deal. You know, I got like 90 or 180 day sprint of gum closed them onto the next deal. I kind of like turned that into my lifestyle. So how have you either psychologically changed your point of view to say, Hey, I'm actually building a business. And to give you a quote by my prior boss, back in the day, Peter Brockway said to me, look, you know, if I build something of value when I'm done with that and I want to sell it, someone's going to pay me for the value that I've created. But it's like a singular focus versus like, Hey, I'm going to help a lot of people. And I'm like a deal guy. So talk about that psyche. Yeah.

Todd Wadler:

Yeah. No, that's a good, that's a great question because that is the, how you get trained in investment banking. You're just constantly moving the next to the next. The reality is in a company, honestly, it's not that different. I mean, again, if you look at my schedule in a day, it's like eight different deals in a day. They, the deals might not be raising money. It might not be, but it's, you know, you're dealing with a human resource. You're dealing with a lease you're dealing with, you know, where's the next place to grow. Now I'm dealing with franchisees. You're every, thing's a relationship building that relationship with people. And that really is what investment banking is. Right. It's, it's building a relationship. It's getting, um, analytical enough to understand what you're talking about. Right. It's so, yes, we're not going deal to deal to deal, but we're going topic to topic, to topic.

Todd Wadler:

It works with my ads. Well, I am beyond focus. Like you said, Peter said, like, that's what I believe. I fundamentally believe I'm not looking at the value every single day. It's not a publicly traded company or anything like that. I am building a longterm if I build it right. I will not only have made a lot of money for our shareholders, but then in inside the business, we just bought all of our franchisees. And that's what I talk about. How do we actually all work together to grow real value? So I actually, I think it does work well, running a company because you're just moving, you know, I could go have a whole digital conversation. I can go really deep on that in marketing. And then I can go to the physical business. I can go to, you know, there's so many different areas that we do touch on that it works well with add. So yeah.

Pete Moore:

Yeah. Well, one point to make that, and I'm sure you'll agree with, you know, investment bank. It actually teaches you the right to, to ask the right questions and like, you know, so maybe kind of touch on that. Like what's like, well, we get involved at a company. Sometimes they want to sell the company, but they don't need to understand like what the drivers of their company are. It's almost like you've got to unpeel it backwards and then fast forward it. So talk, talk about how you think about that.

Todd Wadler:

Yeah. It's so funny you say that. Cause I think that's why I said early on here, that investment banking is an unbelievable training ground. I don't care what you want to do. You want to be a career investment banker. You want to be a private equity person venture. You want to run a company. You want to work in a company, whatever it may be. My team will always say to me like, how did you know that was the right question, right? But it's really that ability to you don't have to be an expert in every facet of your business as the CEO or the person running a department in a company, you know, there's going to be someone even, you know, if you're the VP of marketing, there's someone that's in the, your, your analytics manager who may know something you don't know, right. They may not have run the model and run, you know, calculate the number better than you can and quicker and get access to the information.

Todd Wadler:

Do they know though what it actually needs? What you're, what you're really getting at and what you're driving at and why, and then how does therefore do your job, run your piece of your business in a better way? And I think, you know, other than being in models, being exposed to CEOs, being exposed to private equity professionals, that's where, you know, I really developed that skill. That's where I sharp at skill. You gotta listen, you gotta, you gotta understand what they're getting at. Cause it's not just about the question in front and you sell your company. Yeah. You could sell your company, but what, how are they going to be looking at it? And you have to have thought through all that, by the time you get to someone like you.

Pete Moore:

Yeah. So, you know, pivot into the acquisition that you guys made on, on title boxing, uh, and talking about, you know, becoming a franchisor. Now you're kind of waking up every day and you're like, look, I got to help other people run their business profitably. And I get taken care of, you know, for that, you know, one of the questions that a lot of franchisees always asked me, um, you know, when they're told, when we're talking about different concepts, they always want to know like, who's the owner of the

franchise, or like what's the composition. Like, do I want to kind of attach myself as a magnet and, and do these, does this management team make good decisions? So like to, to take it back for a second, you know, and planet fitness was a great success story, but the private equity really didn't start coming into planet fitness until there was a private equity ownership change. And it was so predictable franchise or that they weren't going to do things that were outside of certain guardrails. So how do you think about like, you're having a franchisee of title understand like, Hey, I'm bringing in people that are resident experts and we are actually here to support you like a trampoline. We're not here to just kinda like extract money from you from above.

Todd Wadler:

Exactly. So the word, the keyword, you said there was support. So when you look at franchisors, they come in all shapes and sizes, many franchise orders, the way they fund their business early on is they sell franchises. So the big focus is what's called bandana franchise development. And that's, you know, on average, maybe you're collecting 40,000 forty-five thousand, depending on, you know, the concept, but you're, you're collecting a fee for every franchise you sell. Well, so you start selling right, 20, 30, 40 of the, now you have the working capital for your business. So what happens is a lot of franchise owners become sales organizations. They are fundamentally sales organizations. And then all they're focused on is how do I sell the next one? How do I sell the next

Pete Moore:

Without actually focusing on what happened? Exactly.

Todd Wadler:

Ultimately as you pick your head up in that, in that issue and you go, wait a second, how are the franchisees performing that I sold to? And I always say, I don't want to be a sales person. I want people who want to buy these things, not who want to be sold a franchise. So to me, what we're rolling out and what we were really excited about when we acquired title boxing club is we're operators. At our core, we were operators of studios. We are aligned with our franchisees. So what they see is us bringing in, we brought, just brought in Justin Godfrey, who's the COO at Gold's gym, Carissa Finley, who was running, learning, and development and elements massage, which was part of well biz brands, where we have many more people who are on the way and we're, and we're working through all have making sure we have the right people in the right seats on the right bus.

Todd Wadler:

So for us, we talked about it with our franchisees as a franchisee centric service model, sales will come when COVID receipts, further, people are ready to enter fitness again, and we will be there to really achieve that and have something that franchisees are excited about. But fundamentally it doesn't end when you sell the franchise and you make the money. It ends. And I, this is what I tell our franchisees. My goal is to be able to see what you've seen at planet fitness, what you've seen at orange theory, where we can create multiunit operators of the, of franchisees that have significant value and private equity, family offices, et cetera, are interested in investing in them. And that's what we will have reached success because we will have earned every dollar, our franchisees pay for us, and we will work around the clock. And I will tell you, investment banking gave me a lot of this. As I said before, there's two main themes. Investment banking is relationships, right? Building relationships, being able to help a franchisee, understand their income statement and have that conversation. But three is always being available like, like when you're at DLJ. Right. Does that mean right? They you're always available. Like

when the beeper went off, you were like, okay, who do I gotta call? You know? And you went and did that. That's the culture we're we're building. Yeah.

Pete Moore:

Yeah. That's interesting. You know, when you look at these, um, you touched on a nerve, cause somebody said to me, Oh yeah, we got this franchise sales group out there. And they brought in, you know, 300 locations and I'm thinking to myself, like, what are they selling? How are they selling it? Who are these people that are piping it? And then, and then I look at like an orange theory or planet fitness and they're like, look, we're not, I'm not paying somebody to go and sell my product one. I'm not giving them 50% of the initiation fee and a percentage of royalties, but also like word of mouth in the franchisee. If you're a unit operator for a planet fitness or an orange theory or massage envy, the one thing you love to do is tell your friends how much money you make it. Right. And this was like an awesome franchise decision. And then that's how you sell territories. So, you know, when you think about kind of like from an investment banking mindset and from what you're doing, like if I nailed a model and I nailed the experience and I nailed the support, like I don't even have to do outbound. I just have to take inbound calls.

Todd Wadler:

That's correct. You're you're so right. I mean, again, this business, remember to me, it goes to the funding of the business. You're talking about a lot of concepts. They were the people who started them, maybe great entrepreneurs have a great concept, a great idea. They don't have the capital. So they enter the franchising space very early to D to build the working capital. Then what they do is they go to the broker network, which is what you're referring to, which could pay out 50 to 80% of the dollars to sell these so that they can get enough of an out there to keep selling. But they're not going to ultimately break that 30, 40, 50, 60 set like units until they great operations, a great brand. And then they're going to start making money. But it's a, it's a working capital draw, you know, that's the issue.

Todd Wadler:

So that's why they do it. They go out and they use third parties to sell. You know, they take a little bit of the money. Um, you know, the franchisor collects a little bit. The broker takes most of that money. So our focus is get the operations go and coming out of COVID build in our own internal, organic Salesforce marketing as a key to that business. Marketing's a key to our physical business. Marketing's a key to our digital business, you know, and look out what we're really excited about with title boxing club is to really take what we did was create a consumer centric programming, you know, model and bring that to more people. That's fundamentally why we really are excited about title boxing club and what that scale gives us

Pete Moore:

Know. One thing about, you know, title boxing and box union. And I would say there's a couple of really strong operators that have company owned locations. And the one thing I hear from most orange, 30 members is they get unbelievable results, right? So like when you think about the member and like what the member of the programming is, if you could show someone physical body change within a 60 or 90 day period, like they become your marketing tool. Right. Cause they like, how'd you do that? Right. And be like, Oh, I'll go to the title box or go to box union. So I feel like, so franchise orders, you know, might've like mashed together, like, all right. I, I know like cycling's important. So like, let me do like a cycling and let me do like an aerial yoga and like somehow mesh those two together. It's like, well, there

was that like, did it solve a personal frustration, zero like physical results. It's a sort of physical result that you're, that you're going to get from this program. So like, when you think about boxing, I mean, he's obviously been one of the best workouts you could do for probably 80 years. So how do you think about like the traditional component of like, Hey, this works and now I'm actually building a business around it instead of like a boxing club.

Todd Wadler:

Correct. So, so one of the big things that we're focused on is yes, we're in boxing, but let's be clear we're in fitness boxing, fitness boxing, absolutely. For a new customer coming in, we got to show them that, you know, you're going to achieve your goal, whatever that goal might be. And a lot of those goals, obviously in the beginning are focused around weight loss, getting in shape, et cetera. The most interesting piece that I found out as we were owning box union. And again, we always were focused on consumer centric, making decisions based on data, getting feedback back from our members or former members, et cetera. One of the most interesting pieces of information that we came across was when we survey our consumers, 40 to 50% of our consumers came back and said, the reason they stayed with box union was for mental clarity and stress release. That is really, you know, honestly, Pete, that's what I want to tap into. I've always said, you could get to your point, you could combine six different things and have a tricycle that takes you around to all the places in the gym. Right. And you know,

Pete Moore:

Do a digital, I own a tri circle. You have to put that in their character shirt. Gentlemen

Todd Wadler:

Do that. But how you make people feel is really what's important, losing weight and all that, by the way, nutrition's a part of that, all of it. But when I heard that and I see what's going on in COVID, you know, when we start to really accelerate our national ad spend and our international ad spend, this is what I want to tap into because to me, that's the reality. People are stressed. People have anxiety and boxing is a cathartic experience. Hitting something just makes you feel better with whatever stress there is. And you know, that's not a spin bike. That's not a treadmill, but we as an industry and we, as the leader in the industry are going to take this to heart and get this message out there. To me, that's the key. And that's ultimately leads to retention. Anyone who knows anything about our business knows the acquisition is one thing it's that retention on the back end, which is actually what drives the results of the studios.

Pete Moore:

Great. So you, when you take a look at buying a business, um, obviously buying title boxing, you bought it, you know, during COVID, you've got franchisees that probably, you know, maybe got some PPP money. Maybe they were operating at 50%, you know, they're just trying to get by, you know, you come in and say, Hey, look, here's what we're going to do for you. But you know, this doesn't just because I bought the business doesn't mean all this is going to happen overnight. You know, you can read a good press release, but like, so how do you kind of, you know, you're probably like me, like I want everything done yesterday, but it's not realistic. Right. So, you know, how do you kind of like, communicate that, look, we're here. We're going to have to figure this out. We're going to infuse some of what we do. We're going to bring on the best people. But like, you got to give me a year or you got to give me like, what are you, what do you say?

Todd Wadler:

It's by the way, it's exactly what you're saying. So first of all, communication communicate, communicate, communicate. I communicate broadly. I'd probably talk to almost all of our franchisees. At this point individually, I spend an hour, I'll spend an hour and a half. I want to get to know them. I want to understand what drives them. But I tell them, you know, we are the team we're focused on our people creating culture. I always say culture first, right? We want to be in the franchisee centric service model. I got to get the people. If I don't have all the people in the right seats, I don't even have all the right seats called for today and what we want to do. And then we're going to start to get into a communication and committees with them where we're not just top down telling you what you need, but bottom up.

Todd Wadler:

And we're going to meet you in the middle there because something that's interesting, what you said. I have some franchisees they're amazing small business owners. They're making more money than they were pre COVID because they've morphed their model. And they're, you know, with some small businesses going out of business, et cetera, you know, they've, they've gone out to acquire customers. It might be more small group or small, a little bit more private training. It might be outdoors, you know, et cetera, but they've, they're innovative. Right? And so we want those ideas also coming from the franchisees. So it's really about communication, setting expectations. I got my team going around the country, um, you know, kind of constantly and taken workouts, meeting people, you know? And so that's really what it is. I, I always say, you know, honesty, transparency, open communication, you know, you'd be surprised, right? How often people are, they're trying to hide something at, you know, because at the franchise war or even at the franchisee, and I'm like, let's just, we're going to show you what we do. And then we're going to have metrics that govern it. So absolutely. Cause I'm like you and my team would say, Todd, Todd, you told me that yesterday.

Todd Wadler:

Why not? There's only like 160 of these. Like how hard is it to roll out and make it happen? But you know, that's, by the way, but that's, I myself as a leader to show them the strategy, the direction where we want to go, but I have great people on the front lines executing right behind me and they want, they want me to keep pushing them and they push me back.

Pete Moore:

Yeah, no, it just made me think that like, if you're, if you're the visionary, you better be thinking more like the next week. Right. So like you're supposed to, I'm supposed to be in 2022 and I'm like reporting back to you. Like what I think is going to where we need to be. Right. So

Todd Wadler:

Exactly by the way, in many ways, it's probably easier to be a visionary and a really, really big company than it is in like, you know, a company that's a little bit smaller. Obviously we got more people now than we ever had, but still like, you know, you got, you're still doing a lot of different jobs at once and then a lot of these companies, um, so you gotta have the work ethic, you know, to do that.

Pete Moore:

Great. So in closing here, you got any good quotes for us that, uh, from your days in banking or currently that people, uh, say, Todd says that all the time or some something you live by?

Todd Wadler:

No, no, I, well, I do have that. I would, that I would give you, um, that I, I won't, I won't tell the PR I won't say the person's name, who said it to me. Um, but he called me into his office one day and I was looking a little tired as we tended to in, in the mid nineties and DLJ and, and he looked at me and he goes, are you tired? I said, you know, I'm a little bit tired. He goes, well, Todd, I just gotta tell you sometimes, you know, you just got to drop the horse and pick up another one. So if you're too tired, just let me know. I got someone else who wants your job. And I'll be honest, I've approached the rest of my career. That way, as I've raised capital from private equity, you know, super successful private equity folks and, and, and successful entrepreneurs, I've always viewed that I'm in service to them that this is my job.

Todd Wadler:

No, one's going to outrun me around the track. And I literally do say that. And I, as you asked me that question, it must be the horse analogy to why I actually say you gotta stick, keep up with me around the track. And you know, and that's, that's not easy in the business we're building because, you know, we got a physical business, but we got this aggressively growing, you know, unbelievable digital business right now. And so we're running around a lot of tracks to deliver more for our customers around the world. And that's what we're really excited about. So, um, you know, that's, that's what you get at the box union title, boxing club brand, you get some hard workers, people run it around some tracks.

Pete Moore:

Awesome. It sounds like a lot of winning to be had. So what forward to tracking your success, getting to know you and your team and being helpful along the way. And you are now officially halo certified company at a halo CEO. So welcome to the team.

Todd Wadler:

Uh, thank you P uh, I've really enjoyed it. And, um, you know, our, our DLJ roots is always like, you know, something where you really build relationships from. So I can't wait to spend more time with you and your team.

Pete Moore:

Awesome. All right, man, I'm going to good afternoon. Talk to you soon, buddy.

Pete Moore:

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